

# Agriculture

## Cooperatives help maintain food security and lower prices

### What is the Issue?

- Individual farmers have often found that it is difficult to both compete in their sector and maintain their independent ownership
- Often, it is simply too expensive for them to carry out the practices that are the basic necessities of agriculture, such as engaging or providing a service, purchasing machinery, or processing and marketing produce
- As a result, many smaller farms struggle to compete with larger firms when left to fend for themselves

### Why is this a problem?

- Without a means for these producers to compete, the agricultural sector is liable to become increasingly dominated by big business, meaning the loss of smaller providers
- The loss of these farms can harm local economies, and bring about widespread depopulation of rural areas
- This process can also do damage to the environment, due to the loss of responsible land stewardship, and the increased pollution brought about due to the greater travelling distances involved in distribution

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### How can a Cooperative approach help?

- Agriculture has long been an area which has strong ties to the cooperative business approach
- Coops allow farmers to come together to secure a significant market share for small, locally based production
- They allow their members to reduce costs through improving their bargaining power when making purchases, as well as enabling the sharing resources and services, such as marketing, whilst retaining their independent ownership
- This in turn enables farmers to devote more time to production, instead of finding buyers and suppliers, thus improving the quality and quantity of their output
- The profits from this work can then be reinvested into local economies, creating a virtuous cycle
- In a globalised world, agricultural cooperatives allow the continuation of small scale production within local traditions, whilst maintaining the widely renowned quality of European foods
- A prime example of this cooperative approach to agriculture in action is Arla Foods, which originated as a small scale operation during the 19th century in Denmark and Sweden, but has since evolved into an international cooperative - incorporating producers across northern Europe, it is now the world's seventh largest dairy company

